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SUBJECT: 2009 BUDGET PASSES NA; MORE CLASHES TO COME

Classified By: POL Joseph Y. Yun. Reasons 1.4 (b,d).

¶1. (C) Summary: On December 13, the ruling GNP along with the conservative Liberty Forward Party (LFP) passed the annual budget bill while the opposition Democratic Party (DP) and Democratic Labor Party (DLP) members boycotted the vote. Most pundits and Assembly sources note that the ruling party will not take much heat over the forced passage of the budget. Remaining controversial bills will not be so easy to pass, however, with most press outlets predicting a "war" between the parties for the rest of the 30-day temporary legislative session. End Summary.

2009 Budget Passes

¶2. (SBU) On December 13, National Assembly Speaker Kim Hyung-o called a plenary vote on the government-introduced budget plan without the bill first passing through the budget committee. This was the first time since 2005 the budget was passed with the main opposition party's lawmakers absent. The budget of 284.5 trillion won (206.8 billion USD) represents an 11.05 percent increase from the 2008 budget and includes spending to create jobs and help the country deal with the economic crisis. The government will increase spending on public works, roads, and infrastructure with the new budget and now predicts a 2-3 percent growth rate in 2009 thanks to the economic stimulus from the budget. All major dailies referred to the "war" or "collision course" that the political parties were now on after the budget passage.

MB's Low Ratings Make Work Difficult

¶3. (C) Because the president was so unpopular, leading GNP lawmaker Chung Doo-un told poloff on December 15 that it would be very difficult for the GNP, despite its large majority, to pass controversial legislation in the same manner they passed the budget. All acknowledged the budget was necessary so the DP did not make an attempt to physically block its passage, but no such unanimity would be found over other bills such as the FTA or bills related to media reform, tax reduction or other ruling party initiatives.

Pollsters Prognosticate

14. (C) Director Han Kwi-young of KSOI, a leading polling firm, pointed out to poloff on December 15 that while the ruling GNP held steady at 35-40 percent support rating in polls, in the most recent poll her firm conducted, only 18 percent thought the GNP was doing a good job. The higher party support rating was simply a result of the abysmal performance of the opposition parties, she explained. This low approval rating would go further down if the GNP chose to circumvent the normal political process to pass government-sponsored legislation without passing through committee vote.

15. (C) Leading political consultant Park Sung-min told poloff that the logic behind the forced passage of the budget was, he thought, so that other controversial bills could be pushed through at the end of the year or at the end of the special session. He disagreed with Han, pointing out that the GNP could force through bills at the end of the year and as a result, since people did not really know what the specific laws meant for them and there would be so many laws passed at once, the GNP might get credit for trying to help the country get through the economic crisis.

16. (C) Park said the DP and DLP were playing into the GNP strategy by opposing the GNP without offering any alternative, thus alienating people further from the opposition. Also, Park pointed out, if the GNP forced laws through in December, by the time of the April 29 by-elections, the strong-armed action would already be "ancient" history in the minds of voters. To put such actions further in the back of voters' minds, Park said he believed the Blue House would shuffle the Blue House Senior Secretary lineup in January followed by a cabinet shakeup in February to keep media focus on the Blue House and not on the forced passage of controversial laws.

Comment

17. (C) Passing the budget without the opposition is not how the political process is supposed to work in Korea, but with an eager Blue House chomping at the bit to pass not only the budget but other controversial bills and an opposition lacking power, support and strategy, the result is a direct vote on the budget and likely other votes to follow. The ruling GNP has to watch out that it does not lose its support by forcing too many laws through the assembly. An undesired side effect of this could be that if the opposition feels it has no voice in the legislature, it could take its issues to the streets in large-scale protests.

STEPHENS